



STATE BOARD OF EQUALIZATION

August 12, 1954

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Attention: X-----

Gentlemen:

It appears from your letter of August 5 that you purchased a packaging machine, paying all sales tax or use tax thereon, intending to use the machine in the event you obtained a certain contract. You did not obtain the contract and sold the machine without ever using it to a purchaser in Seattle. Under these facts, you are entitled to a refund of the tax paid with respect to the purchase of the machine, as it was resold by you before you made any use of it.

Sales tax, however, applies to your sale of the machine unless you sold it in interstate commerce to the Seattle purchaser. If you delivered it to the purchaser or his representative in this State, the tax applies. On the other hand, if you shipped it to him at a point outside this State by use of your own facilities or the facilities of a carrier, the sale is exempt as a sale in interstate commerce.

In order that the amount of the refund may be determined and duly certified to the Board of Control, we will ask our San Francisco office to get in touch with you in order to verify the amount of any refund to which you are entitled.

Very truly yours,

E. H. Stetson
Tax Counsel

EHS:tj

cc: San Francisco - Auditing = It appears that a refund is due the company of that amount of tax it paid with respect to the purchase of the machine. Even if tax were paid to the vendor, the refund still could be made to the company which could have taken deduction on its tax return as a taxpaid purchase resold. Please submit your recommendation.